

2011 Property Tax Report

Blackford County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Blackford County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Blackford County

| |
|---|
| The average homeowner saw a 0.4% tax bill decrease from 2010 to 2011. |
| Homestead taxes in 2011 were 22.8% lower than they were in 2007, before the property tax reforms. |
| 84.9% of homeowners saw lower tax bills in 2011 than in 2007. |
| 37.7% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011. |
| The largest percentage of homeowners have seen between a 20% and 49% decrease in their tax bills from 2007 to 2011. |

| | 2010 to 2011 | | 2007 to 2011 | |
|------------------------------------|----------------------|------------------|----------------------|------------------|
| | Number of Homesteads | % Share of Total | Number of Homesteads | % Share of Total |
| Summary Change in Tax Bill | | | | |
| Higher Tax Bill | 1,726 | 47.5% | 483 | 13.3% |
| No Change | 501 | 13.8% | 66 | 1.8% |
| Lower Tax Bill | 1,403 | 38.7% | 3,081 | 84.9% |
| Average Change in Tax Bill | -0.4% | | -22.8% | |
| Detailed Change in Tax Bill | | | | |
| 20% or More | 134 | 3.7% | 356 | 9.8% |
| 10% to 19% | 225 | 6.2% | 47 | 1.3% |
| 1% to 9% | 1,367 | 37.7% | 80 | 2.2% |
| 0% | 501 | 13.8% | 66 | 1.8% |
| -1% to -9% | 1,025 | 28.2% | 198 | 5.5% |
| -10% to -19% | 198 | 5.5% | 386 | 10.6% |
| -20% to -29% | 57 | 1.6% | 548 | 15.1% |
| -30% to -39% | 39 | 1.1% | 671 | 18.5% |
| -40% to -49% | 12 | 0.3% | 443 | 12.2% |
| -50% to -59% | 10 | 0.3% | 218 | 6.0% |
| -60% to -69% | 4 | 0.1% | 87 | 2.4% |
| -70% to -79% | 7 | 0.2% | 81 | 2.2% |
| -80% to -89% | 4 | 0.1% | 63 | 1.7% |
| -90% to -99% | 5 | 0.1% | 63 | 1.7% |
| -100% | 42 | 1.2% | 323 | 8.9% |
| Total | 3,630 | 100.0% | 3,630 | 100.0% |

Note: Percentages may not total due to rounding.

★★★★★
*HOMESOWNER TAX BILLS FELL
 BECAUSE A DROP IN TAX RATES
 OFFSET THE REDUCTION IN
 STATE AND LOCAL HOMESTEAD
 TAX CREDITS*
 ★★★★★

Homestead Property Taxes

Homestead property taxes decreased 0.4% on average in Blackford County in 2011. This was less than the state average increase of 4.4%. Blackford County homestead taxes were 22.8% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax decrease in 2011 was mainly due to a drop in tax rates in 2011, which more than offset declines in homestead credits. Blackford County's local homestead credit declined in 2011, due to a drop in the local income tax revenues that fund it, and the state homestead credit was phased out. The state credit had been 5.0% in Blackford in 2010.

Tax Rates

Property tax rates decreased in most Blackford County tax districts. The average tax rate decreased by 3.7% because of a small levy decrease and a small net assessed value increase. Levies in Blackford County decreased by 0.8%. The levy decrease was mainly due to decreases in most of the Blackford County School Corporation's levies. The biggest levy increases were in the Hartford City general fund and several county funds. Blackford County's total net assessed value increased 0.9% in 2011. (The certified net AV used to compute tax rates rose by 3.0%.) Homestead and business net assessments were almost unchanged. Agricultural net assessments increased by 3.0%. Other residential net assessments increased 2.0%, while apartment net assessments increased by 2.5%.

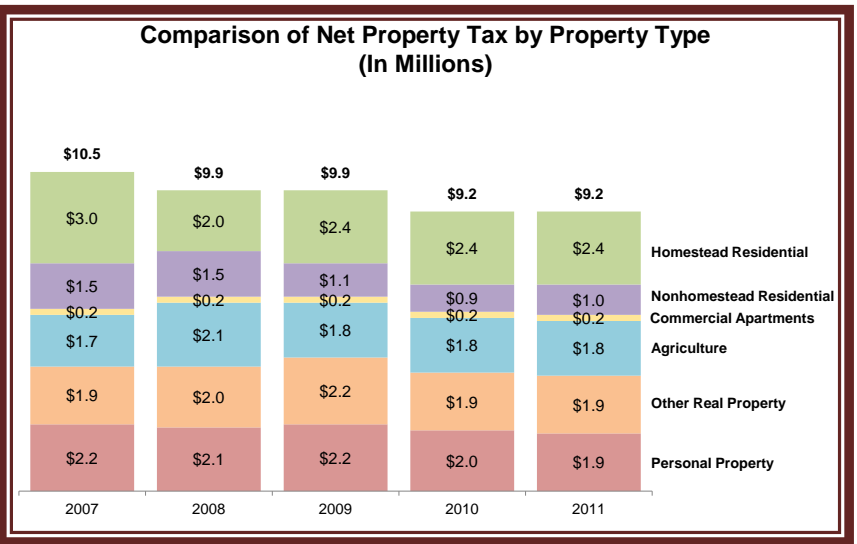
★★★★★★

*SMALL CHANGES IN TAX BILLS FOR
BUSINESS AND AGRICULTURE; LARGER
INCREASES FOR NONHOMESTEAD
RESIDENTIAL PROPERTY*

★★★★★★

Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers fell 0.3% in Blackford County in 2011, less than the statewide increase of 2.8%. Business tax bills – which include commercial, industrial and utility buildings, land and equipment – fell by 1.8%. Agricultural tax bills rose 0.6%, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011. These small changes were due to the decrease in tax rates in Blackford in 2011. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 6.7%, and tax bills for commercial apartments rose 2.5%. Net assessments for these property categories increased, which increased overall tax bills.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS DECREASED
IN 2011*

★★★★★★

Total tax cap credit losses in Blackford County were \$1.4 million, or 13.2% of the levy. This was more than the state average loss rate of 9.2%, but much more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Blackford County's tax rates were above the state median.

More than half of the total tax cap credits were in the 2% nonhomestead residential/farmland category; most of the rest were in the 3% business category. The largest percentage losses were in the cross-county units Blackford County shares with Jay County. Within Blackford County, Licking Township, Hartford City and the Hartford Library had the biggest percentage losses. The largest dollar losses were in the Blackford School Corporation, Hartford City, and the county unit. The district tax rates were well above \$3 per \$100 assessed value in Hartford City.

| Blackford County Tax Cap Credits | 1% | 2% | 3% | Elderly | Total | % of Levy |
|----------------------------------|----------|------------|-----------|----------|-------------|-----------|
| 2010 Tax Cap Credits | \$98,327 | \$932,579 | \$513,956 | \$10,430 | \$1,555,292 | 14.4% |
| 2011 Tax Cap Credits | 108,905 | 814,009 | 489,796 | 12,756 | 1,425,467 | 13.2% |
| Change | \$10,579 | -\$118,570 | -\$24,160 | \$2,326 | -\$129,826 | -1.1% |

Tax cap credits decreased in Blackford County in 2011 by \$129,826, or 8.3%. The reduced

credits represent 1.1% of the total tax levy. Most of the decrease in tax cap credits was in the 2% tax cap category, which covers nonhomestead residential property and farmland. The drop in tax rates accounts for the credit reduction in the 2% and 3% categories. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits caused the increase in credits in the 1% category.

The Effect of Recession

The 2009 recession had a small effect on Blackford County gross assessments for pay-2011. Business and home property values and construction activity appear to have fallen in Blackford County in 2009. Increases in other residential values and agricultural assessments nearly offset this decline. Net assessments increased slightly. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. This credit reduction contributed to a small rise in homestead tax bills and a small increase in tax cap credit losses for Blackford County governments.

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*THE 2009 RECESSION HAD A
SMALL EFFECT ON BLACKFORD
COUNTY LOCAL GOVERNMENTS*

★★★★★★

| Property Type | Gross AV 2010 | Gross AV 2011 | Gross AV Change | Net AV 2010 | Net AV 2011 | Net AV Change |
|------------------------|----------------------|----------------------|-----------------|----------------------|----------------------|---------------|
| Homesteads | \$336,264,950 | \$333,768,360 | -0.7% | \$120,581,012 | \$120,535,864 | 0.0% |
| Other Residential | 41,287,200 | 42,059,400 | 1.9% | 40,016,170 | 40,849,768 | 2.1% |
| Ag Business/Land | 88,560,700 | 91,232,700 | 3.0% | 88,080,400 | 90,732,130 | 3.0% |
| Business Real/Personal | 168,304,530 | 165,948,610 | -1.4% | 134,758,795 | 134,638,287 | -0.1% |
| Total | \$634,417,380 | \$633,009,070 | -0.2% | \$383,436,377 | \$386,756,049 | 0.9% |

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Blackford County Levy Comparison by Taxing Unit

| Taxing Unit | 2007 | 2008 | 2009 | 2010 | 2011 | % Change | | | |
|---------------------------------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| | | | | | | 2007 - 2008 | 2008 - 2009 | 2009 - 2010 | 2010 - 2011 |
| County Total | 13,711,190 | 14,285,781 | 10,461,692 | 10,578,876 | 10,489,726 | 4.2% | -26.8% | 1.1% | -0.8% |
| State Unit | 10,090 | 10,694 | 0 | 0 | 0 | 6.0% | -100.0% | | |
| Blackford County | 2,943,779 | 3,478,256 | 3,067,341 | 3,182,766 | 3,325,369 | 18.2% | -11.8% | 3.8% | 4.5% |
| Harrison Township | 50,569 | 55,659 | 58,351 | 60,177 | 62,219 | 10.1% | 4.8% | 3.1% | 3.4% |
| Jackson Township | 27,504 | 61,078 | 53,646 | 45,358 | 29,651 | 122.1% | -12.2% | -15.4% | -34.6% |
| Licking Township | 169,477 | 174,493 | 181,455 | 185,249 | 193,358 | 3.0% | 4.0% | 2.1% | 4.4% |
| Washington Township | 23,589 | 36,932 | 29,630 | 38,746 | 35,425 | 56.6% | -19.8% | 30.8% | -8.6% |
| Hartford City Civil City | 1,937,075 | 1,825,724 | 1,839,880 | 1,879,609 | 2,073,201 | -5.7% | 0.8% | 2.2% | 10.3% |
| Dunkirk Civil City | 20,093 | 19,488 | 14,414 | 15,249 | 19,309 | -3.0% | -26.0% | 5.8% | 26.6% |
| Montpelier Civil City | 402,169 | 419,076 | 421,724 | 419,809 | 447,862 | 4.2% | 0.6% | -0.5% | 6.7% |
| Shamrock Lakes Civil Town | 27,738 | 28,698 | 22,928 | 31,399 | 29,921 | 3.5% | -20.1% | 36.9% | -4.7% |
| Blackford County School Corp | 7,750,560 | 7,795,708 | 4,415,438 | 4,358,901 | 3,882,589 | 0.6% | -43.4% | -1.3% | -10.9% |
| Jay County School Corp | 24,314 | 22,440 | 12,288 | 12,890 | 15,259 | -7.7% | -45.2% | 4.9% | 18.4% |
| Hartford City Public Library | 251,118 | 279,976 | 267,556 | 272,110 | 289,474 | 11.5% | -4.4% | 1.7% | 6.4% |
| Montpelier Public Library | 70,596 | 75,177 | 75,128 | 74,724 | 80,266 | 6.5% | -0.1% | -0.5% | 7.4% |
| Dunkirk Public Library | 2,519 | 2,382 | 1,913 | 1,889 | 2,402 | -5.4% | -19.7% | -1.3% | 27.2% |
| Blackford County Solid Waste Mgt Dist | 0 | 0 | 0 | 0 | 3,421 | | | | |

Blackford County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

| Dist # | Taxing District | Tax Rate | Credit Rates | | | | | | Net Tax Rate, Homesteads |
|--------|--------------------------|----------|--------------|-----------|-----------|-------------|-----------|-------------|-----------------------------|
| | | | LOIT PTRC | COIT | CEDIT | CEDIT | LOIT | LOIT | |
| | | | | Homestead | Homestead | Residential | Homestead | Residential | |
| 05001 | Harrison Township | 2.0869 | -- | -- | 9.0951% | -- | -- | -- | 1.8971 |
| 05002 | Montpelier City | 3.0133 | -- | -- | 9.0951% | -- | -- | -- | 2.7392 |
| 05003 | Jackson Township | 1.9539 | -- | -- | 9.0951% | -- | -- | -- | 1.7762 |
| 05004 | Dunkirk City (Shadyside) | 3.7576 | -- | -- | 9.0951% | -- | -- | -- | 3.4158 |
| 05005 | Licking Township | 2.0238 | -- | -- | 9.0951% | -- | -- | -- | 1.8397 |
| 05006 | Hartford City | 3.7859 | -- | -- | 9.0951% | -- | -- | -- | 3.4416 |
| 05007 | Shamrock Lakes Town | 2.6413 | -- | -- | 9.0951% | -- | -- | -- | 2.4011 |
| 05008 | Washington Township | 1.9835 | -- | -- | 9.0951% | -- | -- | -- | 1.8031 |

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Blackford County 2011 Circuit Breaker Cap Credits

| Taxing Unit Name | Circuit Breaker Credits by Property Type | | | | | Circuit Breaker as % of Levy | |
|---------------------------------------|--|---|------------------------------------|---------|-----------|------------------------------|-------|
| | (1%) Homesteads | (2%) Other Residential and Farmland | (3%) All Other Real/Personal | Elderly | Total | Levy | |
| <i>Non-TIF Total</i> | 108,905 | 805,680 | 444,062 | 12,756 | 1,371,404 | 10,489,726 | 13.1% |
| <i>TIF Total</i> | 0 | 8,329 | 45,734 | 0 | 54,063 | 269,829 | 20.0% |
| <i>County Total</i> | 108,905 | 814,009 | 489,796 | 12,756 | 1,425,467 | 10,759,555 | 13.2% |
| Blackford County | 25,465 | 197,444 | 102,818 | 4,238 | 329,964 | 3,325,369 | 9.9% |
| Harrison Township | 25 | 2,482 | 52 | 7 | 2,567 | 62,219 | 4.1% |
| Jackson Township | 0 | 111 | 11 | 2 | 123 | 29,651 | 0.4% |
| Licking Township | 2,610 | 16,535 | 10,574 | 487 | 30,207 | 193,358 | 15.6% |
| Washington Township | 0 | 0 | 0 | 23 | 23 | 35,425 | 0.1% |
| Hartford City Civil City | 43,925 | 277,284 | 182,724 | 2,483 | 506,416 | 2,073,201 | 24.4% |
| Dunkirk Civil City | 0 | 5,451 | 520 | 1 | 5,972 | 19,309 | 30.9% |
| Montpelier Civil City | 403 | 30,028 | 1,069 | 74 | 31,573 | 447,862 | 7.0% |
| Shamrock Lakes Civil Town | 442 | 1,106 | 0 | 115 | 1,663 | 29,921 | 5.6% |
| Blackford County School Corp | 29,833 | 227,566 | 120,101 | 4,964 | 382,464 | 3,882,589 | 9.9% |
| Jay County School Corp | 0 | 4,308 | 411 | 1 | 4,719 | 15,259 | 30.9% |
| Hartford City Public Library | 6,133 | 38,716 | 25,513 | 347 | 70,709 | 289,474 | 24.4% |
| Montpelier Public Library | 43 | 3,769 | 100 | 10 | 3,921 | 80,266 | 4.9% |
| Dunkirk Public Library | 0 | 678 | 65 | 0 | 743 | 2,402 | 30.9% |
| Midwest Indiana Solid Waste Mgt Dist | 0 | 0 | 0 | 0 | 0 | 0 | |
| Blackford County Solid Waste Mgt Dist | 26 | 203 | 106 | 4 | 339 | 3,421 | 9.9% |
| Hartford City Redevelopment Comm | 0 | 0 | 0 | 0 | 0 | 0 | |
| TIF - Hartford City 100 | 0 | 1,595 | 42,185 | 0 | 43,780 | 238,447 | 18.4% |
| TIF - Hartford City Expansion | 0 | 6,711 | 3,071 | 0 | 9,782 | 29,020 | 33.7% |
| TIF - Hartford City Ind Park | 0 | 23 | 477 | 0 | 501 | 2,362 | 21.2% |

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.